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COORDINATION MUST COMPLEMENT FUNDING TO FIGHT AIDS IN ETHIOPIA

Large international assistance effort needs single system, report says

By Matthew Pritchard
Washington File Staff Writer

Washington - Increased funding from U.S. programs like the President's Emergency Plan for AIDS Relief (PEPFAR) and from nongovernmental organizations (NGOs) is helping to combat the HIV/AIDS pandemic in Ethiopia. However, these resources should be joined under a single system to be effective, according to a new report by the Center for Strategic and International Studies (CSIS).

While PEPFAR, which has contributed \$43 million in FY 2004, "is clearly a boon for Ethiopia," the report said, quick implementation of anti-AIDS programs would be difficult due to the country's poverty, weak health care system, and the scale of the epidemic there.

"The funding levels through PEPFAR have increased dramatically," said Michele Maloney-Kitts, director of program services with the U.S. Office of the Global AIDS Coordinator, who cited increases in the program's aims: prevention, treatment for orphans and vulnerable children, and special care for people who already have AIDS and HIV.

"Although the funding levels are huge, this is the Government of Ethiopia's program," Maloney-Kitts explained. "We're contributing to their program and taking directions from them. We understand that's not

always an easy task for either side, but that's absolutely how we view the program."

Maloney-Kitts was one of four speakers discussing the new report from CSIS -- "Battling HIV/AIDS in Ethiopia: U.S. Approach Needs Nuance, Flexibility" -- on June 24 at a CSIS conference center in Washington. Other panelists included Kathleen Cravero, deputy director of the Joint United Nations Program on HIV/AIDS (UNAIDS); Ambassador Princeton Lyman from the Council on Foreign Relations; and Debrework Zewdie, global HIV/AIDS advisor at the World Bank.

The cost of fighting HIV/AIDS in Ethiopia has increased -- but so has the funding, with total international assistance to Ethiopia reaching \$100 million in 2004, thanks in large part to the PEPFAR contributions, part of President Bush's commitment to provide \$15 billion over a five-year period to the 15 countries hardest hit by the disease.

Compared to five years ago, there are enough resources now to fight the disease, said Debrework Zewdie of the World Bank. But "because the different donors have different strengths," she added, "harmonization is key" -- it is crucial that all contributing organizations work together under one central leader, to deliver treatments and preventions to those who need it.

A major problem outlined in the CSIS report is creating gender-based programs to help women and girls learn about HIV/AIDS prevention and receive treatment.

"High levels of gender-based violence and gender inequality continue to increase women's risk of HIV infection and exacerbate the epidemic," according to the CSIS report.

Poor educational opportunities, limited reproductive health care, harmful traditional practices, and a lack of legal protection make girls and women susceptible to the disease.

How many women have the disease and how many seek care must be determined, said Kathleen Cravero of UNAIDS, adding that helping women seek treatment without being harassed is key. Cravero called for a gender-advising group to be put in place a link with other problems, such as poor education and sexual abuse, that coincide with HIV/AIDS.

Ethiopia, which has a population of 70 million, reported

in 2001 that 4.4 percent of that population was infected with HIV, but other estimates ran as high as 6.7 percent, according to UNAIDS. The country has the third-highest rate of infection in Africa, according to the U.S. Centers for Disease Control and Prevention (CDC).

U.S. MAY EASE CORPORATE ACCOUNTING DEADLINE FOR FOREIGN FIRMS

Securities commission chief signals possible Sarbanes-Oxley changes

Non-U.S. firms that list their stocks in the United States could receive additional time to comply with comprehensive accounting and reporting standards mandated by the Sarbanes-Oxley Act of 2002, Securities and Exchange Commission (SEC) Chairman William Donaldson says.

In a January 25 address to the London School of Economics, Donaldson said the SEC is also considering changes that would make it easier for firms to "delist" if they do not feel prepared to meet U.S. requirements under Sarbanes-Oxley reforms.

"We should seek a solution that will preserve investor protections without inappropriately designing the U.S. capital market as one with no exit," Donaldson said.

Congress passed the Sarbanes-Oxley reforms following a series of high-profile U.S. corporate accounting scandals. Some U.S. and foreign businesses have criticized certain new requirements as burdensome and costly. In addition, a number of foreign firms have said that some Sarbanes-Oxley rules conflict with accepted practices in their own countries.

Donaldson said that the SEC has welcomed input from foreign firms and jurisdictions, and has moved to address their concerns wherever possible. To illustrate, he cited the SEC's final rule on the composition of corporate audit committees. Although the Sarbanes-Oxley law requires members of audit committees to be independent directors, the SEC, after dialogue with the European Union (EU), decided to include an exception for jurisdictions that require such committees to include a labor representative, he said.

“We will continue to be sensitive to the need to accommodate unique foreign structures and requirements,” Donaldson said.

The SEC chief said that within the next few months, the commission would likely approve changes that would make it easier for new users of the EU accounting rules -- the International Financial Reporting Standards (IFRS)-- to list on U.S. exchanges. The SEC has long permitted companies to use IFRS provided that the figures representing their companies' operations were reconciled with the United States' Generally Accepted Accounting Practices (GAAP) over a three-year period. Under the proposed rule, first-time users of IFRS would need to reconcile their financial statements for only two years, Donaldson said.

“I am of the firm view that this would be a step in the right direction,” he said.

The SEC also is considering whether to extend the deadline for foreign firms' compliance with Section 404 of Sarbanes-Oxley, which requires companies to report annually on the adequacy and effectiveness of their internal financial controls.

“Of all the reforms contained in [Sarbanes-Oxley], getting these processes right is likely to have the greatest long-term impact on enhancing the reliability of financial reporting,” Donaldson said.

Many European companies face burdens “above and beyond” those of U.S. companies as the EU moves to adopt international financial reporting standards for the first time in 2005, Donaldson said.

“To address these burdens, I have asked the staff of the Commission to consider whether to recommend we delay the effective date of the internal control on financial reporting requirements for non-U.S. companies,” he said. According to news reports, Donaldson said the SEC could delay Section 404 compliance for non-U.S. firms by four or five months.

The commission in November 2004 gave small U.S. companies additional time to verify their internal controls after finding they were overwhelmed trying to meet the mid-2005 deadline for domestic firms.

SCHOLARS SEE FEDERALISM AS KEY TO IRAQI POLITICAL STABILITY

Federalist arrangements help protect minority rights

By Phillip Kurata and Howard Cincotta
Special to the Washington File

Washington -- Scholars familiar with Iraq's ethnic and sectarian realities say the federalist form of government holds the potential for a stable political future.

Federalism divides constitutional powers between national and local units of government. Such a system could provide political buffers to prevent a popular majority controlling the central government from exercising abusive powers over minority groups, scholars say.

More than 20 federal republics exist in the world, among them Brazil, Canada and the United States in the Western Hemisphere; Austria, Germany, Spain and Switzerland in Europe; Australia, India and Malaysia in Asia; and the United Arab Emirates in the Middle East.

By contrast, nonfederal democracies, such as France, also grant substantial powers to local authorities, but those powers are delegated by the central government and may be revoked by it.

Iraq consists of three main ethnic/sectarian groups: Sunni Arabs, Shi'a Arabs and Kurds. The Sunni Arabs dominated the government under Saddam Hussein, and the core of the current insurgency is based in the central part of Iraq where they are a majority.

The Shi'a, who by many estimates account for more than half of the Iraqi population, were excluded from meaningful political participation after they boycotted elections held during the British mandate in 1922. The Shi'a, who live mainly in the center and south of Iraq, are expected to dominate the January 30 balloting.

The Kurds suffered ethnic cleansing, forced relocation, mass execution and chemical attacks under Saddam Hussein. The Kurds are trying to protect local autonomy and freedoms in a northern enclave they established after the 1991 Gulf War.

The platforms of a number of the parties contesting the Iraqi elections embrace the idea of establishing a federalist state.

"We're seeing a real political process underway even though it is flawed by violence and the inability of a substantial portion of the Sunni population to participate. All the parties must see that this is not a zero-sum game in which one side must lose for the other to win. Instead, they must find a way to compromise, to share power There are deep-seated issues, and federalism is now the word," said Phebe Marr, the author of *The Modern History of Iraq*.

Dawn Brancati, a visiting scholar at Princeton University's Center for the Study of Democratic Institutions, says federalism offers a viable possibility for preventing ethnic conflict and secession and establishing a stable democracy.

"[T]he fact that religious and ethnic cleavages in Iraq are indeed crosscutting could help moderate behavior and even help develop political parties across religious and ethnic lines -- this is, as long as it is within the proper federal structure," she wrote in an article, "Can Federalism Stabilize Iraq," published in the spring 2004 edition of *Washington Quarterly*.

Two scholars at Miami University, Adeed Dawisha and Karen Dawisha, say that federalism has not always satisfied the aspirations of groups bent on independence -- as demonstrated by the conflicts in Northern Ireland, Kosovo and Chechnya. But they say it has contributed to dampening separatist tensions in Scotland, Montenegro and some of the ethnic republics of Russia.

A tradition of vigorous parliamentary debate under the Hashemite monarchy in Iraq from 1921 to 1958 has laid a foundation for a federalist structure with separate centers of power, they said.

"Debates in parliament were often vigorous and legislators were usually allowed to argue and vote against the government without fear of retribution," they wrote in an article, "How to build a Democratic Iraq," published in *Foreign Affairs* in 2003.

The federalist form of government serves to defuse tensions by allowing local and regional centers of power to raise and spend money as they see fit without dictates from the central government.

"Revenue-sharing arrangements are critical because power follows resources: when the central government denies regions the right to raise and spend money, it is

tantamount to denying them authority," Adeed and Karen Dawisha wrote in their article.

The United Arab Emirates operates with a federal system of government that has enabled the country to flourish.

Before independence in 1971, the U.A.E. was known as the Trucial States, which were autonomous and independent sheikhdoms under British protection. When British forces withdrew from the region in 1971, the emirates formed the Federation of Arab Emirates. Bahrain and Qatar immediately withdrew from the federation and established independent states in their own right.

"The U.A.E. would never have been successful without a federal structure that gives each component considerable autonomy in making decisions," said Patrick Clawson of the Washington Institute for Near East Policy Studies.

"Dubai, for example, is proud of its openness to trade and investment and outside influences that would be unacceptable in some of the other more conservative emirates. In a country with strong tribal traditions, the U.A.E. has kept a careful balance to protect local centers of power, and in turn, accept the larger role of Abu Dhabi in the federal government," Clawson said.

Condoleezza Rice, who is being considered by the Senate for confirmation as secretary of state, said in a speech in 2004 that federalist concepts will be keys in keeping Iraq a unified state.

"Iraq will need to remain a united country. I'm quite certain that there will be elements of federalism that we here in the United States would recognize. But what has been impressive to me so far is that Iraqis - whether Kurds or Shi'a or Sunni or the many other ethnic groups in Iraq - have demonstrated that they really want to live as one in a unified Iraq," Rice said in a speech to the U.S. Institute of Peace in August 2004, when she was national security advisor.

Veteran U.S. diplomat James Dobbins, who has worked to stabilize the situations in Afghanistan, Kosovo, Bosnia, Haiti, and Somalia, says, "The Iraqis must find their own way to a solution, and that may mean elements of local, sub-national government, or federalism, as well as power sharing in the national level. What's vital is to reach a power arrangement that reflects the population, not just voting turnout, and avoids sectarian conflict."

IRAQI POLITICAL PARTIES ADDRESS VOTERS' SOCIAL CONCERNS

Health care, education, jobs, religion top list of social issues

By David Shelby
Washington File Staff Writer

Washington - Health care, education and jobs are some of the chief issues on Iraqi voters' minds as they head to the polls, according to a recent survey of nearly 2,000 eligible voters from across the country, and political parties are crafting social agendas to address the voters' concerns.

More than 16 percent of those surveyed, in a poll conducted by an Iraqi polling firm, identified health care as the number one problem that the new Iraqi government needs to address, making it the most commonly cited concern.

Several parties mention the desire to work toward ensuring free universal health care in their party platforms, but perhaps the United Iraqi Alliance gives the issue the most comprehensive treatment. The United Iraqi Alliance pledges to provide care and medication to the sick, to build a sufficient number of clinics in order to meet the population's health needs and to provide universal health insurance.

Its party platform goes on to address environmental conditions affecting public health, promising to protect the population "from all types of industrial and radioactive pollution that are harmful to the public health."

Although fewer voters identified education as their primary concern, nearly 24 percent chose improved access to basic education as the primary social issue that would win their support for a party or candidate. This makes education one of the most attractive issues for parties to address in their social programs.

Several parties propose programs to eliminate illiteracy and guarantee free education for all Iraqi citizens, but again it is the United Iraqi Alliance that offers the most detailed program. The party proposes to build more schools, institutes and universities, and guarantees free schooling at all educational levels. It also promises "to rewrite the curriculum so that it is appropriate for the new Iraq that we want and in accordance with scientific and objective principles."

The Turkoman Nationalist Movement also calls for free, compulsory education from the primary through the university level, but the party pays special attention to the educational concerns of minority communities, calling for the freedom to open private schools and the right to establish state-supported schools that provide instruction in a minority's language.

Jobs are also a major concern among Iraqi voters. Over 38 percent of those surveyed named unemployment as one of their top three concerns, and political party platforms reflect an awareness that parties must provide potential voters with hope on this issue.

The Gathering of Independent Democrats addresses the issue head-on, stating its ambition "to eliminate unemployment and poverty and invest Iraq's resources for the welfare of its people and to improve their standards of living."

The United Iraqi Alliance likewise promises "to provide work opportunities to all Iraqis who are capable of working."

The parties do not limit their attention to the working-age population. Many of them also address the issue of retirement pensions. The Communist Party pledges "to take care of retirees and raise their pensions to provide them with a respectable life and a comfortable old age."

The Liberal Democratic Party of Iraq also proposes to build a social security system for those families that do not have sufficient financial resources to support them.

The role of religion in the Iraqi state will be a major issue as Iraqis head to the polls. Nearly 42 percent of eligible voters polled believe that religion has a special role to play in the government, but just over 50 percent said that religion and government should maintain a mutual respect and not interfere in each other's responsibilities.

When asked about the social values that would most attract them to a specific party, more than 23 percent said they would like to see the creation of a strictly Islamic government, and another 16 percent said they would like to see a party committed to ensuring the Islamic identity of Iraq.

The Islamic Conference of Iraqi Tribes appeals to the latter group in its pledge "to protect the Islamic identity of Iraq and its people." The United Iraqi Alliance goes a

step further to assert that Islam should be recognized as the state religion.

The Communist Party takes a broader approach to the issue, calling for “respect for the Islamic religion and other religions and guaranteeing the freedom of the faithful in their religious rites and practices.”

The role of women in the rebuilding of Iraq is another important issue on the social agenda. According to Iraqi electoral regulations, at least one in every three names on each party list must be a woman.

Consequently, parties are stating their positions regarding the role of women. The Islamic Conference of Iraqi Tribes states that women should be given full rights.

The United Iraqi Alliance states its support for the participation of women in all aspects of public life - political, economic and social. The Communist Party pledges that it will tirelessly defend the principle that women are equal to men.

Another major issue that many of the parties address is the need to confront the abuses of the former regime. The Liberal Democratic Party proposes establishing a “truth-finding commission” to uncover the facts regarding Iraq’s mass graves and other dark chapters of the country’s recent past.

The Communist Party calls for “compensation for the families of the martyrs, the disappeared and the injured in the Anfal campaign, in Halabja, and in the mass graves as well as the heroes of the 1991 uprising, the Feili Kurdish youth and other combatants.”

In addition to compensating the families of the individuals who suffered under Saddam Hussein’s rule, the United Iraqi Alliance aspires “to rectify the injustice toward the regions that opposed the politics of preference and exclusion and deliberate neglect by establishing a budget and a special commission for their rebuilding and development.”